ASK THE EXPERTS

A COLLECTION OF INSIGHTS FROM THE TRIBECA TRIBE TO CHALLENGE, INFORM AND INSPIRE.

TRIBECA FINANCIAL

"THE DAY YOU STOP LEARNING, YOU'RE DEFINITELY NOT AN EXPERT."

BRENDON BURCHARD, NEW YORK TIMES BESTSELLING AUTHOR & HIGH PERFORMANCE COACH

It's a great line, as it sums up our approach at Tribeca, and why we decided to create this eBook. Not to boast about our credentials. But to offer some insights and opinions from our team's journey that might help spark some ideas, discussion and action.

Why do we feel like we've got something to say? Well for over ten years as a financial advice team we've been saying and doing plenty to change the way our industry does things.

When we started Tribeca, we simply felt there was a better way. A way that everyone benefits – our clients, our team (who we call our Tribe) and our business – without compromising what is right. That puts the value on the person; not the product.

We were talking about financial wellbeing well before it became a buzzword.

That's important. As we know the importance of opening up greater conversations than money; placing an emphasis on goals, security, freedom and how we can help individuals, couples and families achieve their Good Life.

So this is what this eBook is all about. Conversations we've had with our Tribe that explore topics that our clients have told us are important to them, especially in light of COVID. From defining what financial wellbeing actually is and its strong connection to our mental health; through to top-of-mind subjects around superannuation, cashflow coaching, lending, career transitioning and impacts of a recession.

We hope you enjoy this first edition of Ask the Experts. And please feel free to share with family, friends and colleagues. You can also let us know topics you'd like us to cover in future editions by emailing us at advice@tribecafinancial.com.au.

CONTENTS

ABOUT TRIBECA

We're a financial advice firm – but we're not just about improving your finances. We help you build the life you want, by prioritising what's most important at each stage of your life and putting together a financial roadmap that will make it happen. This means both thinking big and diving into detail to create a plan that's ambitious enough to meet your goals, and manageable enough to be achievable and sustainable.

We offer a complete range of services; from cashflow coaching and investment advice through to expertise in superannuation, lending and retirement planning. Our purpose is to help you live your Good Life through enhancing your financial wellbeing; resulting in a greater sense of security and freedom of choice.

Learn more about Tribeca and our services here.

"IT'S SUCH AN IMPORTANT MESSAGE TO PUT YOUR HAND UP WHEN YOU'RE STRUGGLING, AND TO BREAK DOWN THE TABOO OF SPEAKING OPENLY ABOUT OUR FINANCIAL AND MENTAL WELLBEING."

FINANCIAL WELLBEING

DANIEL TESTA / SENIOR FINANCIAL ADVISER

My Good Life
TRIBECA FINANCIAL

FINANCIAL WELLBEING

In this conversation, Daniel explores the concept of financial wellbeing, particularly as it relates to our mental health. As a strong and active advocate around this subject, Daniel shares his insights including why we all need to continue removing the stigma of talking openly about our financial and overall wellbeing.

TOP 3 TAKEAWAYS

1. **Our financial and mental wellbeing are intrinsically linked.**
2. **We need to have open and honest conversations about our finances and mental health.**
3. **The sooner you understand your relationship with money, the better you will be.**

FINANCIAL WELLBEING

You're a strong advocate for talking about and supporting our wellbeing – both financial and mental. Why is this so important to you and Tribeca?

Like many people, I've faced some mental health challenges which made me reshape and reframe how I look and approach different aspects of my life. Once you go through it, and you actually get the help and guidance around those challenges to make some really good decisions to get your life back on track – whether it's to do with money or mental health – you see how important it is to talk openly about it.

Tribeca has always got this. It's why I'm now part of the Tribe.

Often people worry about money more than their own health. They're so intrinsically linked as the relationship you have with money – good or bad – has a large bearing on your emotional responses. So understanding how you relate to money (are you a saver or a spender for example) and adapting your thinking and approach to find a balance that suits your personality, habits, needs and goals is incredibly healthy for your overall state-of-mind.

There's nothing better than seeing people achieve a sense of security and freedom through enhancing their financial wellbeing. That's what drives us at Tribeca.

So how do you help people understand and enhance their financial wellbeing?

It starts with having open and honest conversations. We know talking about money is not something that comes easily to most, especially if you're in a difficult financial position. But it's really the only way that we can truly understand an individual's or couple's motivation behind areas such as spending and saving habits or appetite for risk; so that we can shape a plan that has meaning and impact.

It gets back to asking lots of questions. The key one is: do you feel like you have a good relationship with money? In other words, is your financial wellbeing at a healthy level? If it is, great, let's explore why and look for ways to make this relationship work even better to achieve your goals. It isn't or you're not sure? That's OK, as there's plenty of resources we can use to map out where money sits in your life to help put in place strategies to create more balance and structure.

One of those key tools is our financial wellbeing matrix, which allows people to rate their relationship with money in terms of their sense of security and freedom for the now and future. Do you have a nest egg? Do you have a buffer to get through short-term financial pain from unexpected costs? Do you have the right insurances in place? Can you spend money on what you want, rather than what you need in the short-term? Where do you want to get to with your financial future? Are you going to be able to retire when you want to?

When we've got those numbers on where people rate themselves, we can dig a bit deeper into the reasons behind these answers. And work out ways to move a five to a six today, and then a six to a seven in 12 months time, and maybe a seven to an eight or nine in the next few years. The timing will take care of itself. It's the willingness and openness from the person to make the change that's important.

Understanding the why behind it all and how someone feels about it is really powerful for us.

FINANCIAL WELLBEING

"THE COACHING ASPECT OF HELPING PEOPLE ALONG THE JOURNEY TO FINANCIAL WELLBEING IS WHERE WE CAN ADD THE GREATEST VALUE."

FINANCIAL WELLBEING MATRIX

	PRESENT	FUTURE
SECURITY	Control over your finances	Capacity to absorb a financial shock
FREEDOM OF CHOICE	Financial freedom to make choices to enjoy life	On track to meet your goals

Are there common characteristics for someone who comes to you with a low sense of financial wellbeing?

It's going to be different for every single person as no two stories are alike. For many, their upbringing will dictate how they approach money. For some, it could be a specific moment or moments that have altered their sense of financial wellbeing, be it from good fortune or tragedy.

We see all extremes. There's the person who is living from pay check to pay check who has a really weak sense of security day-to-day, and they certainly don't have a feeling of freedom because there's no extra money. So what tweaks can we make to give them a greater feeling of being in charge of their money? Tools such as our Tribeca Tracker can help them create certainty and structure around their budgeting and cash flow.

But then I've had conversations with people who earn absolutely fabulous incomes, but don't feel like they're on track to do anything. They're happy accumulating money, but they don't have a strong sense of security in their future because they don't know where they're going. And that leads to anxiety and stress. Here, it could be helping establish some long-term goals like investments, where they don't need to worry about managing their money but know it's working hard for them in the background to open up more opportunities.

And then there's people who sit in between, who have comfortable incomes but still live pay check to pay check as they can't help living up to or beyond their means. They love spending, but know that if they can curb this they will end up with better financial outcomes which is actually one of their goals. How can we help them help themselves? Is it putting in a spending cap? Do we reduce their credit card limit or cancel the card altogether? Do we catch up once a month initially to hold them to account with their spending?

The coaching aspect of helping people along the journey to financial wellbeing is where we can add the greatest value.

FINANCIAL WELLBEING

Earlier we touched on the link between financial and mental wellbeing. Can you expand on this further?

I read a great article recently by BeyondBlue where Laura Higgins, Head of moneysmart.gov.au, explained how financial wellbeing and mental health are intrinsically linked.

"Being in an unhelpful financial situation can have a negative impact on our mental health. Conversely, if we're struggling with our mental health, sometimes our finance management falls by the wayside," she said. "So being conscious of how financial health and mental wellbeing are connected, openly acknowledging that, and seeking help early on if you're facing financial difficulties is really important."

It's such an important message to put your hand up when you're struggling, and to break down the taboo of speaking openly about our financial and mental wellbeing. Especially in the workplace where people are worried about the ramifications – personally and professionally. But not talking is far worse than staying silent as it can compromise our work life; home and social life; and overall mental and physical health.

At Tribeca, we're really strong in educating businesses about the importance of creating an environment where employees feel supported and respected for speaking up. And when they do, are offered the help they need. We created our Workplace Financial Wellbeing Program for that very reason.

The biggest gap to bridge is making people understand that they are not alone. We can do this by opening up dialogue and generating positive conversations and actions around our financial wellbeing. To this point, Laura from MoneySmart offered up some great tips in her article:

- **Acknowledge the link between financial wellbeing and mental health and think about how this affects you personally.**
- **Get in control of your finances by setting time aside for money matters – try and get into the habit of doing this regularly.**
- **Don't delay – the earlier you get on track with your finances the better.**
- **If you need a helping hand, ask someone close to you who will offer help without judgment.**
- **Make a plan and take a step-by-step approach, acknowledging each task ticked off your to-do list as an achievement.**
- **If you have any niggling concerns related to your finances, don't hesitate to seek professional help.**

As life events change, so will the level of your financial wellbeing. It's going to have its ups and downs. What we can help control is giving you the support, guidance and tools to respond to this change – and most importantly – the confidence and peace of mind that comes from knowing that we're on this journey with you.

FINANCIAL WELLBEING

There are many organisations you can talk to regarding your mental health:

13 11 14
lifeline.org.au

1300 22 46 36
beyondblue.org.au

1800 737 732
1800respect.org.au

HELPFUL RESOURCES

- **2017 report: Exploring financial wellbeing in the Australian context**
- **Financial wellbeing tools**
- **Laura Higgin's article linking financial and mental wellbeing**
- **Tribeca's Workplace Financial Wellbeing Program**

Daniel Testa

SENIOR FINANCIAL ADVISER

Advanced Diploma Financial Planning, Monarch Institute, 2015
Masters of Financial Planning, Deakin University (completion 2022)

Dan is definitely someone who embraces life to the full. Having grown a strong reputation within the banking and finance industry for his holistic approach, his passion for relationships and making the world a better place for people naturally led him to join the Tribeca Tribe.

"IT'S HARD AS WE ALL TRY TO SWIM AGAINST THE ECONOMIC DECLINE, BUT THE ECONOMY WILL PICK US ALL UP AGAIN IN THE NATURAL FLOW AS WE BOUNCE BACK OUT OF RECESSION. IT'S ABOUT POSITIONING OURSELVES TO BE READY."

RECESSION

BRAD FOX / NON-EXECUTIVE CHAIRMAN

My Good Life
TRIBECA FINANCIAL

RECESSION

The COVID-19 crisis brought many countries around the world to their knees. Thankfully Australia faired better than most but will still feel the economic impact for many years to come. As Australia entered its first recession for thirty years, we asked Brad what this would look like and how the experiences of the past could prepare and position ourselves for the times ahead.

Note: Originally published on 27 August 2020, this conversation has been updated for republication in 2021.

TOP 3 TAKEAWAYS

1. **While there is definite heartache out of a recession, it can also be a time of opportunity.**
2. **You need to be open to adapting your lifestyle in key areas such as spending habits, travel and career.**
3. **Take comfort that a recession will always end, and the tide will always turn.**

RECESSION

Is Australia officially in recession and what does 'being in recession' actually mean?

Okay, so the accepted economic definition of a recession is two consecutive quarters (six months in total) of negative growth meaning the economy got smaller. We measure growth by our GDP – the Gross Domestic Product – which is basically every service and good that is produced. Due to the COVID-19 crisis, Australia experienced two quarters in a row of producing less than the previous quarter; therefore turned over less money. Hence, the nation entered a recession.

The most important aspect of the times we're in now is: how does it feel to you, your family, your employer, your business, your workplace, your colleagues? There are going to be challenges and losers...of course there is. But a recession can also mean there are winners. Out of the Great Depression – the 1929 economic crash that resonated around the world over for nearly 10 years – there were more millionaires made during that time in America than any other period in their history.

What this points to is that some people find great opportunity through great change. And that's what a recession generally creates; a shift in how the marketplace works, and therefore, how we as individuals think and react to it.

What major impacts are we likely to see from this recession?

First of all, unemployment increases. And casual labour often feels the brunt of that first followed by full time employment. It then reverses during the rehiring phase, where casual employment is often what comes back first.

What's important to note is Australians in their 20s, 30s and 40s have never worked at a time when unemployment is a significant issue. We've had pretty low unemployment for a long time, so this will take a major adjustment, particularly for people in regional areas where unemployment is typically hit the hardest. So one of the things that can happen in a recession is you start to see people moving from country towns to the city to chase the work. Unemployment is definitely one of the major impacts.

When we talk of employment, in a recession you'll also see a lot of upskilling. In fact we've already seen this playing out during the COVID restrictions. Whether you're employed or unemployed, now is a great time to be thinking about what training you might want to take, looking for future growth areas of the economy. What are those key areas or industries that we are going to need more of as we go forward and rebound from the recession?

"... GO AND TRY SOMETHING THAT HAS A PASSIONATE ATTACHMENT FOR YOU AND IS LIKELY TO BE IN DEMAND AS THE ECONOMY BOUNCES BACK."

How the government responds is also critical, and this will vary depending on which party is in power. A Liberal coalition is more likely to want to try and free up private enterprise and empower people to have the courage to borrow money and invest in business and seek growth. To take risk to kickstart the economy. A Labor government, however, will want to spend its way out of recession; to kickstart the economy by creating jobs with money borrowed on behalf of the public. So you get quite a different approach, and each approach in many ways will dictate how people respond to the economic challenges. This COVID-led recession has seen the Liberal government more prepared than usual to support the economy with debt…and it will take decades of higher taxes to repay and service this debt in the future.

Another impact is that people act more frugally. So spending decreases, which is obviously a challenge when trying to grow the economy. You'll see a move away from buying that luxury item. Maybe putting that renovation on hold. Or changing that $30,000 overseas trip (when we can travel again) to hiring a beach house locally.

And on that last point, the nature of tourism will significantly shift, as we have already seen in stark reality. This will also have repercussions on our economy with less overseas visitors, balanced in part with more domestic travel when restrictions ease and borders remain open.

Are there any learnings we can take out of the last recession in the 90s?

If you find yourself unemployed or needing to change your career, go and try something that has a passionate attachment for you and is likely to be in demand as the economy bounces back. Maybe now is not the time to go and do a course as a barista, as there will be plenty of unemployed coffee makers out there. But if you've got some interest in software for instance, you might want to consider a course in IT, programming or Artificial Intelligence. Or maybe you're keen to undertake study in counselling or social work to help people dealing with the challenges post COVID.

In the last Australian recession in 1991, there wasn't any online learning. Today you can learn from your living room, and don't even have to pay for a course. There's plenty of free options available on platforms such as Coursera and Edx, which offer hundreds of courses and degrees through universities and organisations all over the world.

For those people who are in a job but have been planning on leaving, a word of warning. Make sure you've got something lined up before taking that step. That's certainly a lesson from the previous recession. With more people competing for work, it's important to make smart decisions to protect your current employment.

Another aspect that we didn't talk about much in the 90s, but was certainly a major issue to learn from, is the impact of a recession on our mental health. Now's a great time to build personal habits and resilience, and to look after yourself by seeking help if you need it. Whether that's talking to family or friends, or seeing a health professional. We all need to speak up, and not feel any stigma in doing so as confronting as that can be.

An important aspect to remember about a recession is that it will end; that the tide will eventually turn. Yes, we can be caught up in it as the economy drags us out whilst in recession. But eventually the tide turns and starts to come in. There's comfort in that, as we shouldn't feel alone. It's hard as we all try to swim against the economic decline, but the economy will pick us all up again in the natural flow as we bounce back out of recession. It's about positioning ourselves to be ready.

How can we best prepare and protect ourselves for the challenges ahead?

The first step is to control the controllables. And one of the greatest sources of risk we can control is debt.

In the last 'recession that we had to have' (to paraphrase the then Australian Treasurer, Paul Keating), interest rates were around 17-18%. Hard to believe. Today, they're at record lows which is a major difference and advantage. So use this time to pay off debt.

Be more deliberate with your spending. The use of paid subscriptions such as Netflix, Disney, Kayo and so on have gone up dramatically during the COVID restrictions. Maybe you don't need all of them at once, so think about reducing them as they all add up over the month. The idea is to screen what items you're spending on to reduce your expenses.

As I've mentioned previously, now is a great time to do some learning or re-skilling. If you find yourself out of work, try to turn this into a positive by focusing on your own self-development – do a free course; start up a new fitness regime; write down some new career and life goals. And talk to your financial adviser who can help you with these conversations.

If you're someone who's employed, you want to build up your cash position. Maybe the overtime that you rely upon will dry up, so it's good to have that cash buffer to be able to draw on. If you're in a strong position with your career and finances including debt, it could also be a good time to start to invest slowly, sensibly and deliberately. Of course, family and friends are the priority if they need help and you can provide it. But if you have the capacity to take advantage of the market weakness – take that advantage.

"WE ARE ALL IN THIS TOGETHER. AND WE WILL ALL COME OUT OF THIS TOGETHER."

Crisis often brings opportunity. Are there any opportunities that provide hope out of this recession?

Yes there are. But it will be different depending on your stage of life.

If you're a university student at the moment, it might be a great time to double down on your education, especially as opportunities to travel overseas and get work experience will be limited at least in the short-term. Make the most of this time to build up your skills and learning so you're ready when everything starts opening up.

For those in their middle career years, 30-50, it may be a time of reassessing – whether that's forced or by choice. So this could be shifting your career direction by taking one step back to then take two or three steps forward. This can be an exciting time to find a new purpose that provides more fulfilment and enjoyment – whether that's changing careers, writing that book or creating that website you've always talked about. A recession can actually be a real positive to push someone to take that risk; that leap of faith to go out and pursue their dreams. As I said at the outset, many successful businesses and entrepreneurs are born out of tough times like we're experiencing now.

Retirees are most likely the ones to find this period the toughest because of the unstable economy. This is why a good retirement plan is so important as it can remove a lot of that uncertainty. It also provides a great sense of security to know how your money's going to see you through this period and through your lifetime. Some good modelling from your financial adviser will clearly demonstrate this and increase your confidence. For example, if you've been living off $50,000 a year for the last five years there's no reason why this will change if you have a solid financial plan in place. All that might change is reframing your thinking from how you spend your money. Maybe it's not taking that overseas trip in the next two or three years but focusing on Australian travel. And that in itself can open up some exciting opportunities you may not have considered.

At the end of the day it's about retaining your sense of hope no matter what stage of life you are in. And to continue living your own version of your "Good Life" filled with meaning, purpose and relationships that matter.

We are all in this together. And we will all come out of this together.

HELPFUL RESOURCES

- **Forbes article on 'what is a recession'**
- **Free learning platform – Coursera**
- **Free learning platforms – Edx**
- **Federal response packages to COVID**

Brad Fox

NON-EXECUTIVE CHAIRMAN

Bachelor of Business, Economics & Finance, Curtin University, 1989
Australian Institute of Company Directors (GAICD), 2016
Executive Leadership, Stanford University Graduate School of Business, 2012
Fellow Chartered Financial Practitioner (FChFP)

Brad's philosophy on business is that success always begins with leadership and the culture that the leaders create – it is people that power a service-led business. Leaders need to be frank and honest in identifying what is and isn't working, and face these truths collaboratively to make change for the better. No wonder he is one of the driving forces behind Tribeca's strategic direction, growth and culture.

"CHOOSE THE THINGS THAT YOU WANT TO PUT YOUR SPENDING TOWARDS AND PLAN FOR THAT, RATHER THAN JUST LETTING IT HAPPEN. SO BE IN CONTROL OF THOSE THINGS, RATHER THAN IT CONTROLLING YOU."

CASHFLOW COACHING

MARIANA SUBASIC / FINANCIAL ADVISER

My Good Life
TRIBECA FINANCIAL

CASHFLOW COACHING

In our chat with Mariana she digs deep into one of the most talked about topics in financial advice – cashflow. As you'll read, Mariana is very much Tribeca's crusader in this area (even more so during the times of COVID uncertainty), and offers up plenty of tips and tricks to achieve better cashflow karma.

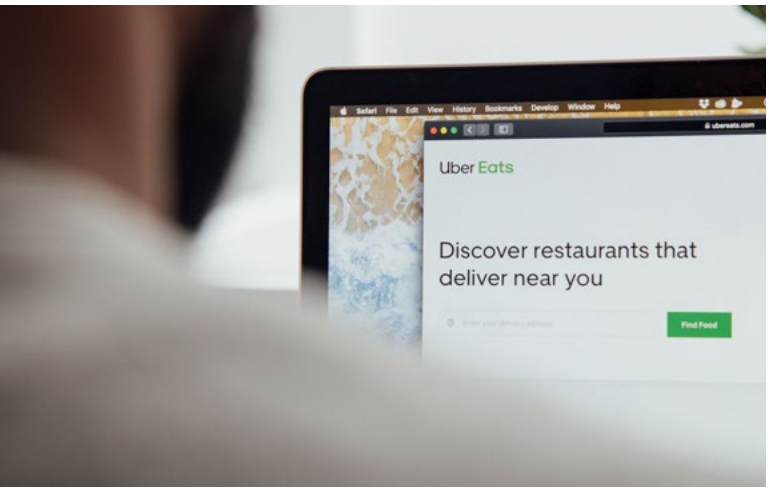
TOP 3 TAKEAWAYS

1. **Cashflow planning and saving really is intrinsically linked to behaviour.**
2. **If you have an emotional link to your savings goal, you're more likely to succeed.**
3. **Don't go it alone; an adviser can help you set goals and keep you accountable.**

CASHFLOW COACHING

"THE COACHING ASPECT OF HELPING PEOPLE ALONG THE JOURNEY TO FINANCIAL WELLBEING IS WHERE WE CAN ADD THE GREATEST VALUE."

How did COVID lockdowns impact our spending and cashflow habits – good or bad? What can we learn from this going forward?



Initially when we went into lockdown we obviously lowered our discretionary spending – going out, traveling, friends and family catch ups – it all pretty much went to zero. But as we continued to stay in lockdown, discretionary spending started increasing to mostly compensate for the lack of being able to be free and do the things that make us happy. So that played out with online deliveries increasing; particularly in areas such as clothing, gym equipment, vitamins, UberEATS, and alcohol.

Grocery spends also increased as people became a little bit more carefree with what they purchased; reflecting their state of mind of being over the lockdown and wanting to get back into normal life.

What it did provide, however, was a better understanding of basic living expenses for costs like food, water, electricity, etc, and how much other living expenses can add up. It showed many people that they can lower some of their discretionary expenses, and actually live on a lot less than they thought.

It's trying to find a balance. And just being aware of your spending. So if one week you have a blow out from getting UberEATS four days a week, that's okay. But the next week it's being committed to going back to normal spending so it doesn't become a habit. That's a big learning from lockdown. To make smart choices and being consistent and balanced with those choices.

We've seen lockdown restrictions dramatically change spending habits. What tips do you have to avoid overspending when coming out of restrictions?

My best piece of advice is to come up with a plan that works for you. If there are certain events and things that you want to do, by all means have fun but make a plan for it. Don't just go wild saying yes to everything; be okay with saying no to some events. Choose the ones that you genuinely value.

I'd also be very mindful of what your longer-term goals are. Bring it back to that. So don't get sidetracked with all the short-term fun if it will make an impact on your long-term plans; whether that's retiring early, paying down debt, having a big family holiday in the future. That's really important. Quickly pull yourself back in line with what you are working towards.

And for couples and families, make sure that you have an open line of communication to come up with a plan of attack together. Agree on what you can all commit to and hold each other accountable. And then check in with each other as life returns back to COVID normal.

What are your suggestions for managing spikes in spending around gifts, entertaining and holidays?

Everything that you do, do it with a conscious choice. If you're wanting to go away, think about your spending leading up to that and what compromises you need to make. Choose the things that you want to put your spending towards and plan for that, rather than just letting it happen. So be in control of those things, rather than it controlling you.

Another tip is shopping with a list. Before buying any gifts or items for entertaining make up a list and stick to it. This is when buying online can actually work to your advantage. When you're looking for specific things online, you're less likely to make random purchases rather than being tempted in store by walking past items on shelves or at the end of the aisle. All those snap purchases can add up.

Knowing your shopping habits is also important. For example, if you're in a relationship and one of you is more of a spender than the other, choose the one that's not a spender to do the shopping when they can as they're more likely not to overspend.

What are your top tips for cashflow planning and saving moving forward, both for everyday life or larger goals like the big trip or a house deposit?

Cashflow planning and saving really comes down to behaviour; how you commit to working towards achieving your goals.

I think the most important thing is to be in line with what you're saving for and have that emotional link driving you. Paying down the home loan could be the goal, but it might not be what's really important to you. The real driver for decreasing the loan could be that it will enable you to take a day off work and live a more balanced lifestyle. So get yourself in line with the emotional link to what your goal is, because you're more likely to succeed as opposed to it just being a numbers thing.

From a behaviour point of view, choose the saving method that's right for you. Then you're likely to stick to it. For some people this might be using an offset account to build up savings. Others might prefer having an account they can't access online to limit the temptation of dipping into it. Or it could be creating an investment portfolio where a monthly amount is automatically deposited so it builds up over time.

CASHFLOW COACHING

There's many ways to tackle saving and cashflow. The key is adopting a method that works for you and you can stick to. That's why having a financial planner or coach to guide, set up a structure and keep you accountable and on track to reach your goals can be a great ally. At Tribeca, we also provide a range of tools to empower you to take control of your finances, such as the Tribeca Tracker which is great for managing cashflow and budgets.

The other major benefit of having an adviser by your side is they can help you in times of instability to adjust and create a new plan to react to unforeseen circumstances.

Cashflow planning and saving all gets back to working out what's really important to you, creating an achievable plan to reach that goal, and then sticking to that plan without getting distracted along the way.

HELPFUL RESOURCES

- **Tribeca's cashflow coaching & budget management services**
- **Tribeca Tracker Wealth Management App**
- **Gift list management tool**

Mariana Subasic

FINANCIAL ADVISER

Certified Financial Planner (CFP)

Bachelor of Business (Financial Planning), RMIT/Open University, 2012

Bachelor of Management, UNISA, 2010

Mariana is passionate about helping people. Her experiences as a refugee has given her a unique perspective on how powerful helping others can be in making a difference in someone else's life. It's this knowledge that first cultivated her need to help people live better lives – and is the reason she was drawn to financial advice.

"BY HAVING A CAREER AND FINANCIAL ADVISER WORKING ALONGSIDE EACH OTHER AND LOOKING AT SCENARIOS FROM MANY DIFFERENT ANGLES, THE CLIENT CAN BE TOTALLY EMPOWERED IN MAKING THEIR DECISION."

CAREER TRANSITIONING

RYAN WATSON / CEO

My Good Life
TRIBECA FINANCIAL

CAREER TRANSITIONING

Changing careers has been one of the major fallouts from COVID-19. We sat down with Ryan for his insights into how to go about making that next career move, including the key steps to consider when faced with this transition.

TOP 3 TAKEAWAYS

1. **Most people don't take the time or realise they have time to reassess their career choices if they are made redundant.**
2. **Challenge yourself to identify and pursue a career that really lights the spark inside.**
3. **Accept the help of experts (in financial advice and/or career transition) to create a plan that takes in your overall goals.**

CAREER TRANSITIONING

"THIS IS WHERE WE CHALLENGE OUR ADVISERS TO CHALLENGE THEIR CLIENTS ON TACKLING THE TOUGH QUESTIONS. THAT TAKES A LOT OF TRUST AND A FAIR BIT OF COURAGE FROM BOTH SIDES."

COVID-19 has made many people reassess their careers and lifestyle. What do you say to people who have been forced to make this change?

The forced transition for people being moved out of their current employment is where we've seen the biggest increase. And that's hard. Going from full time work to suddenly having a lot of time on your hands. And really not knowing what to do.

The natural reaction for people in this situation is to go, s@#^, I need to find the next job quickly. But what they don't realise is that in most cases, they have time to consider their next move. Their redundancy is often enough to have a good three, six or nine months to pay their bills, pay the mortgage, and really take some time to work out the next step in their career and lifestyle.

This is where an adviser such as Tribeca can play such an important role. To reassure people in this situation that you'll be OK financially. That we've got your back. And we'll work with you to map out a plan to move forward.

So what are the main points someone should consider if they are thinking of changing careers?

This is where we challenge our advisers to challenge their clients on tackling the tough questions. That takes a lot of trust and a fair bit of courage from both sides.

Questions like: What do they really want to do? What lights the fire; that sparks their interest? What makes them happy?

I say these questions can be tough because they can be life-defining, especially for a couple or family. Of course the client might want to stay in their chosen career. But their answers could also place them on a totally different professional pathway with all the ramifications that come with that. That can be pretty scary.

But knowing this, we can then look at all the financial scenarios and models to determine what might a new career look like. Does anything need to be adjusted? And what effect will that have on their short, medium and long-term goals?

Yes, these are brave discussions. But they are discussions that are so important to empowering a client to take control of their future and live their Good Life.

CAREER TRANSITIONING

Obviously finances play a critical role in this decision making. But how much should they shape this decision?

As I touched on earlier, a key part for the client is to identify their goals and be true to themselves about what their Good Life looks like. Where do they want to go in the future? That's really the hardest part. Once they really own that, we can then develop financial strategies based on scenario modelling to work out the best way of achieving it.

But we know there's a whole lot more to career transitioning than goal setting and putting together a financial roadmap. Especially for someone who's been forced out of a job, and may be in the last stages of their working life. That's why we've also put a lot of time into building relationships with like-minded professionals in the career transition space.

We don't have all the answers. And that's OK. A career transition expert can delve a lot deeper than we ever could into helping a client work out their next career move and the steps they need to take to get there. By having a career and financial adviser working alongside each other and looking at scenarios from many different angles, the client can be totally empowered in making their decision. And comforted that we're looking out for their overall financial wellbeing.

We think that's a bit of a game-changer. And a massive win for our clients.

CAREER TRANSITIONING

Any other advice for someone who has left their job?

Reach out to one of our advisers. Sounds easy on the surface, but we know it can also be the hardest step to take when you're feeling vulnerable, especially if you're new to Tribeca.

We get it. That takes trust.

But if you're in this situation I'd challenge you to take that step. Start with that first 15-minute phone call where there's no obligation to continue beyond that. No pressure. Just a willingness for us to understand how we can help. And to show you that we genuinely care.

That initial phone call, and the follow-up discovery meeting, can be the start of putting you back in control of your financial wellbeing. To put your mind at ease. And to explore new directions and thinking.

It does take courage to reach out for help. But the outcomes can be so valuable to living a full and fulfilling life.

HELPFUL RESOURCES

- **Tribeca's redundancy planning services**
- **Personal and professional development tools**
- **SHK specialist career transitioning advice**
- **Tribeca's free 15-min phone consultation**

Ryan Watson

CEO

Bachelor of Arts/Commerce, Deakin University, 2003
Graduate Diploma of Financial Planning, Finsia
Stanford University Graduate School of Business, 2014

Ryan founded Tribeca with a simple goal – to help people live their good life. It came from a steely determination and unwavering belief that the financial planning industry could do more. Since 2010 Ryan has instilled this ethos within his Tribeca Tribe to challenge the status quo, be brave and authentic in helping clients improve their financial wellbeing, and always work with honesty and integrity.


"...UNDERSTAND WHAT IT IS THAT YOUR SUPER IS INVESTED IN AND LOOK AT THAT AGAINST YOUR CURRENT LIFE STAGE AND GOALS, AND MAKE SURE IT'S THE RIGHT FIT FOR YOU."
SUPERANNUATION
DAVID LOFTHOUSE / FINANCIAL ADVISER
My Good Life
TRIBECA FINANCIAL

SUPERANNUATION

Superannuation is always a hot topic when the economy faces instability and uncertainty. To provide an informed perspective, we spoke with David to look at the impact of COVID-19 on superannuation and the outlook for the future.

Note: Originally published on 7 August 2020, this conversation has been updated for republication in 2021.

TOP 3 TAKEAWAYS

1. **History shows that superannuation will always recover out of a crisis.**
2. **Whether you are in your 30s or nearing retirement, COVID has highlighted the importance of having a clear plan for the future.**
3. **Stick to your long-term strategy; stay resilient and stay the course.**

SUPERANNUATION

How has superannuation been impacted by COVID-19?

What we did see was a very severe reduction to share market prices when COVID first hit. The ASX 200 (which most people will have some exposure to in their super) lost about 30% of its value between February and March 2020. But by August it had recovered more than half of that reduction – so a short, sharp dip; followed by a short recovery.

For context, during the Global Financial Crisis (GFC), the ASX200 lost about 50% of its value over the course of 2008, but this was over a 12-month period. The drop was more prolonged, and so was the recovery afterwards. In fact that recovery resulted in consistent growth over the next decade, leading to a record high which occurred just before COVID.

Obviously it's hard to predict when and how the market will fully recover and grow out of COVID given the volatility and unpredictability of the crisis, but history shows it will recover.

What does this mean for someone in their 30s, compared to someone close to retirement?

The overarching principles of managing superannuation really should remain the same throughout your life. And that is having and understanding a long-term strategy, and to stay resilient and maintain the course when there are changes that impact the economy.

The key driver in the returns and the performance of superannuation is your allocation between what we call defensive assets like cash and bonds, and growth assets like equities and property. Your stage of life should be reflected in the mix between growth assets and defensive assets, balanced with your level of comfort and need for investment risk.

For example, generally when you're younger you can afford to take more risk with super, as at the end of the day it's there to fund your retirement. Someone in their 30s is more likely to be better suited to a focus towards growth assets, as over the long-term they can expect to see higher returns, riding out the movements of the economic cycle along the way.

For our clients who are closer to retirement, a more conservative strategy is typically a more appropriate super mix – say 70% invested in defensive assets and 30% exposed to growth assets. So while they may see a bit of a correction to their super during an event like COVID, it won't be like the level of volatility that a more growth-focussed portfolio is experiencing.

It highlights how important it is to be really clear on your superannuation strategy and be comforted that you know where things are headed in the long-term.

"THE ECONOMY WILL CONTINUE TO RECOVER AND SO WILL YOUR SUPER, AS WE'VE BEEN HERE BEFORE."

What can we learn from how super has performed out of other times of economic crisis?

Stay the course. In the GFC, many people panicked when they saw the share market drop by 50% and moved their investments to cash and bonds. Investment manager Vanguard did a great piece of research around this. It showed that at the bottom end of the fall, if you moved your assets from a conservative allocation (70% defensive, 30% growth assets) to 100% cash, over ten years your compounded return would have been 37%. Whereas if you left it in that original diversified allocation with 30% remaining invested in growth assets, your ten-year return would be 176%.

By far and away the most important principle to take out of this is to know your strategy and have faith in this strategy when an unexpected event like COVID happens. In that way you're already prepared for that level of risk, and it's factored into how you're investing so you can move forward with more certainty and comfort. And you know your ship is built to weather the storm.

Did you see any impacts from people accessing their super early through the $10K option?

There were absolutely people who were in a position of financial hardship, who needed to access their super to make ends meet. But it really was a last resort. Your superannuation is there for your retirement and that's why there are strong restrictions around when you can access it.

Unfortunately, there's cases where people were withdrawing the funds who weren't in the financial hardship position and opted to withdraw the funds and use them for discretionary spending rather than necessities. Like for gambling, purchasing household electronics, or topping up their savings.

I heard about one person who withdrew $4,000 – not the full $10,000 – to pay for furniture. To illustrate how damaging the impact of withdrawing your super early can be, consider this. If you purchased that furniture by using a credit card (which we also wouldn't recommend) and only made the minimum monthly payments based on typical interest rates, it could take 30 years to pay off and cost over $13,000 all up. I think any reasonable person would agree that's a horrendous outcome and should absolutely be avoided. But even worse, if you took the $4,000 out of your super, over the same time period and with a rate of return of 6.5% per year after costs you'd be losing out on $26,000 – twice as much!

What this shows is the impact of taking super out early can be really severe. That's why the early withdrawal from super option had to be used only as a last resort due to the long-term impacts.

What advice would you give someone worried about their super?

The most important thing with super is that it's there for the long-term, whether you are still working and actively contributing, or if you've retired and drawing a pension from it at the moment. The economy will continue to recover and so will your super, as we've been here before.

What COVID has highlighted is the importance of having a super strategy in place. If you don't have one, it's never too early or too late to reach out to an adviser, whether you're in your 20s or 60s. The aim is to really understand what it is that your super is invested in and look at that against your current life stage and goals, and make sure it's the right fit for you.

Australians are incredibly resilient. I look at recent years where we've had bushfires, flooding and then COVID, and there's been a lot stress and uncertainty. If you throw that into the mix, along with the volatility in investment markets, it's easy to understand how people can feel uneasy about their super. But use that resilience that you've got to take steps to understand what's happening and how you're exposed to it.

And be reassured that there's no need to panic.

HELPFUL RESOURCES

- **Tribeca's Superannuation Advice**
- **Summary of how Super works**
- **Vanguard report - TBS**

David Lofthouse

FINANCIAL ADVISER

Certified Financial Planner (CFP)

Aston University Business School, BSc (Honours) Business & Management, 2008

David has a quiet determination to help his clients reach financial wellbeing. It's something that comes naturally to him. His driving force is coaching people towards achieving their personal goals, which extends beyond his role at Tribeca; he is also a qualified personal trainer and holds further accreditation in nutrition.

LENDING

JASON KLOSZYNSKI / DIRECTOR OF LENDING

Having witnessed the volatility in the property market since the start of 2020, we asked Jason for his views on the key lending fundamentals anyone should consider when looking to buy or refinance.

Note: Originally published on 13 August 2020, this conversation has been updated for republication in 2021

TOP 3 TAKEAWAYS

1. **The combination of the Royal Commission into banking (2019) followed by COVID has seen a tightening in credit and increase in delays for loan approvals.**
2. **Interest rates will remain at the historically low levels for the foreseeable future.**
3. **Review your lending rates annually as banks rely on the apathy and loyalty of their customers to not challenge them on rates.**

How has COVID-19 impacted the property lending market?

Probably the biggest impact from a broker's perspective has been the speed with which the market can move. To give you some context, if you were refinancing a home loan pre-COVID with one of the big four, generally from the first client meeting through to approval of the loan it would take four to six weeks. Now, due to reduced resources at the banks, that four to six weeks is commonly six to eight weeks and can blow out to eight to twelve weeks. I even had a very straightforward deal with a major bank that took a record 52 business days to get approved and a further 21 days to get the loan documents prepared!

Part of the delay are banks being a lot more credit savvy – crossing the T's and dotting the I's off the back of the banking royal commission. And it's how banks have reacted to certain technologies being challenged or, in some instances, certain lack of technologies that have been challenged through COVID.

But despite all of this, we're still seeing a lot of property transactions taking place. It's just critical to get the fundamentals of the applications together early enough so you don't miss out on opportunities.

Where do you see interest rates going in the next 6-12 months?

My most asked question.

I think these historically low rates will continue for the foreseeable future, although it will be hard to see them going much lower. Banks lending margins at the moment are as compressed as they've ever been. Having said that, if you asked me this question back in February 2020 my position was the same. I didn't think that rates could drop any further, and they've dropped a little bit more.

When will rates go up? There's talk that this may occur a bit sooner than anticipated given the current and unexpected boom in the property market, but it's still too difficult to give a definitive timing.

"BANKS AND OTHER SERVICES SUCH AS UTILITIES AND INSURANCES RELY ON THEIR CLIENTS' APATHY. IF YOU DON'T CHECK YOUR CIRCUMSTANCES EVERY YEAR, YOU COULD BE MISSING OUT ON SIGNIFICANT SAVINGS."

With interest rates so low, what's the best strategy around fixed and variable rates?

We are certainly seeing a lot more client inquiry on fixing rates. Traditionally as a business, it's not something that we've recommended because it does restrict flexibility. But there is some value at the moment, especially in considering a split loan.

Say you have a million dollar home loan. You might take half in a fixed rate for two years, and the other half variable. The reason you might do that is because fixed rates are still around a half a percent cheaper than variable rates. But you'd want to be really confident that your circumstances over that period of time are not necessarily going to change.

For example, if you're a young couple planning to have children in the foreseeable future, now's not a great time to be fixing your interest rates, because you just don't know what the world's going to look like. But if you've got an investment property that you've had for ten years and don't have any intention of selling it for the next few years, it might make sense to fix rates for a period of time.

The first step is to speak to an adviser and/or mortgage broker for advice before committing to anything.

What should people be considering with their lending strategy?

Definitely have a financial review with an adviser such as Tribeca. If you take COVID out of the discussion for a minute, we would say to all our clients that you really should review your lending arrangements annually. Can you get a better deal? Are you unhappy with your current loan?

Banks and other services such as utilities and insurances rely on their clients' apathy. If you don't check your circumstances every year, you could be missing out on significant savings.

As a mortgage broker we get a very good line of sight over the market, because we've got access to more than 30 lenders and a range of products. Our work is about reviewing peoples finances and looking if we can get you a better deal, balanced with your overall needs.

A lot of people say, 'well what's half a percent?' On a million dollars, half a percent is a very big chunk of change that you're just giving to the bank in extra interest that you could spend on a variety of other things. And that doesn't mean you have to shift banks every year; it's probably more likely every two or three years. But it pays to check by asking: Are you making the most of your money? Are you making the most of your borrowings?

"A REALLY GOOD BROKER WILL LOOK AT THEIR CLIENT'S OBJECTIVES WITH THE LONG (10 YEARS), MID (3 YEARS) AND IMMEDIATE GOALS IN MIND (WHAT WE CALL 10/3/NOW) AND LEVERAGE THEIR EXPERIENCE TO ESTABLISH A PLAN TO MEET THOSE NEEDS."

Why would someone engage a mortgage broker and what makes a good mortgage broker?

It's a really good question. I actually love it when a first-time client asks me that question. There are a few reasons.

First of all, if you approach a bank directly that lending manager can only offer you their product. They're not going to tell you about the other brands; they're not going to tell you about the pros and cons of the other products. So why wouldn't you use a broker?

It costs you nothing as banks remunerate brokers for the introduction of a client – with a similar fee structure across lenders there is no conflict in our recommendations as we are motivated by best meeting our clients' needs. We hold a broad view of what the market is doing. Now I'm not going to suggest that of the 30 to 40 relationships we have with lenders means that we use all 40 lenders, but it gives us line of sight over what the market is offering so we can source the most competitive rates and fee structures to meet our clients' needs.

We can also advise clients on the best packages to meet their needs. And that may not be going with the cheapest loan if that lender isn't offering certain features the client requires. That could be the technology, such as Apple or Android Pay which some of the lenders don't offer. Or you could be someone who has an aspiration over the next ten years of building a property portfolio. There are certain lenders that you just simply wouldn't go to because they're not as good at understanding clients who want to leverage equity to buy the next property and rely on rental income. And if you're self-employed, there are lenders who have a better understanding of what self-employment looks like and are positioned to support those people.

A really good broker will look at their client's objectives with the long (10 years), mid (3 years) and immediate goals in mind (what we call 10/3/now) and leverage their experience to establish a plan to meet those needs. A particular lender may be great for a first home buyer now where there is a limited equity position. But in two or three years time, a funding package is likely to be more favourable at another lender where the client is better rewarded for a stronger equity position and can establish a relationship with a lender to have them on the path for those longer term goals.

It's about understanding the client really well and leveraging the broker's experience and market knowledge to find the most favourable package to meet that client's needs on an ongoing basis.

LENDING

HELPFUL RESOURCES

- **Tribeca's lending services**
- **Property lending resources from Mortgage & Finance Association of Australia (MFAA)**
- **Lending and bill calculators and tools**
- **Tribeca's free 15-min phone consultation**

Jason Kloszynski

DIRECTOR OF LENDING

Monash University, Bachelor of Commerce, 1994

RMIT University, Bachelor of Business, Economics and Finance, 1998

The National Finance Institute, Diploma of Finance and Mortgage Broking Management, 2016

Jason works by a simple philosophy – he offers the kind of personal service-focused commitment to clients that he would demand if he was the client himself. It's what drove him to start his own mortgage lending business, and what attracted Tribeca to join up with Jason as our Director of Lending. He is energised by the process of removing the stress and frustration for his clients, and the regular smiles he puts on faces by helping reduce the cost of funding for both existing mortgage holders as well as first homebuyers.

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